

In Beijing, the Business Of the Party Is Business Everybody's Out to Make Money

By Nicholas D. Kristof
BEIJING — If anyone in China still believes in communism, it should be Bo Yibo. That was why the editors of an unorthodox political book turned to Mr. Bo, a crusty 84-year-old who is one of the most powerful leaders in China, to write an inscription on the nameplate. They thought his calligraphy would save the book from being banned.



Residents of the squatter camp of Ivory Park, near Johannesburg, pointing at a police vehicle they accused of taking part in an attack Friday in which four persons were killed. Other witnesses said the violence had been part of gang warfare between rival taxi companies.

In New South Africa, Old Habits Linger

By David B. Ottaway
JOHANNESBURG — Even in the new South Africa, change seems exceedingly slow in coming. Real change, in fact, has often been a chimera. The legal pillars of apartheid have tumbled one by one. But many of apartheid's structures and practices are still alive, deeply rooted in this racially taut society.

NEWS ANALYSIS
His goal was to end South Africa's status as a pariah nation. At a breathtaking pace, Mr. de Klerk lifted the ban on anti-apartheid groups and a state of emergency; he freed Nelson Mandela, the ANC leader, and thousands of other political prisoners, and he plunged into negotiations with black leaders whose names the local press had been forbidden to publish for 30 years.

France Offers More Troops To Back Up Bosnia Aid

But Allies Are Cautious And Choose to Wait for EC-UN Talks on Crisis
By Alan Riding
PARIS — France offered on Friday to send 1,100 more soldiers to help protect relief missions in Bosnia-Herzegovina, but its NATO allies failed to come up with a plan to ensure that food and medical supplies reach the besieged inhabitants of the former Yugoslav republic.



SEOUL STUDENTS BATTLE POLICE — A captured riot policeman being carried away by students at Chungang University in Seoul during angry unification-rally clashes on Friday. Students stripped captured policemen of their equipment and let them flee.

Baker's Racing to Rescue: Harder Now Than in '88

By R. W. Apple Jr.
WASHINGTON — James A. Baker 3d is a formidable political operator, and he should have no trouble in imposing order upon the disarray that he inherits as impetuous President George Bush's re-election campaign.

NEWS ANALYSIS
apparent to an immensely popular president, the economy was booming and he had a clean slate on which to write his pledges and portray his virtues. Now he is an unpopular incumbent, well known to the voters, burdened with a limp economy.

U.S. Fears Iraq Plans Offensive Against Shiites

By Melissa Healy
WASHINGTON — American officials have warned that Iraq appears poised to launch a new offensive against Shiite civilians and insurgent forces in southern Iraq, and they said Washington might take military steps to stop the internal repression.

Maastricht, Polls, and the Thin Gauloise

By Barry James
PARIS — The fat and pungent Gauloise cigarette, as Gallic a cliché for the last 80 years as baguettes and berets, recently came out in a slimmed-down, low-tar form that corresponds — according to a label on the pack — to European rules on tobacco sales.

NEWS ANALYSIS
Mr. Baker will give a good try. He provided a clue to his strategy when he said in his farewell remarks at the State Department that Mr. Bush had been obliged to concentrate on foreign policy in his first term because of a momentous series of upheavals in the world, but was now ready to turn to the domestic concerns that preoccupy Americans.

Klosk

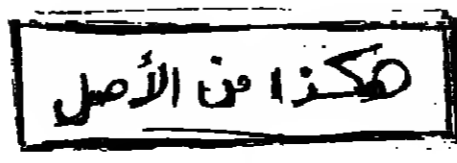
An Iranian Diplomat Expelled by Britain
LONDON (Reuters) — Britain has ordered the expulsion of an Iranian diplomat in retaliation for Iran's expulsion of a British envoy in Tehran, British officials said Friday.

Archaeologists Find Family Tomb of the Man Who Condemned Jesus

By Michael Specter
NEW YORK — Israeli archaeologists have discovered the family tomb of Caiaphas, the Jewish high priest who presided at the trial of Jesus and delivered him to the Romans to be crucified.

information about the era in which Jesus lived," he said. The burial cave was in excellent condition, said Zvi Greenhut, Jerusalem's chief archaeologist. Twelve limestone ossuaries were discovered in the cave, which had a pit in the floor making it tall enough for mourners to stand.

Financial data table including Dow Jones (Up 15.40), Trib Index (Up 0.41%), and various currency exchange rates like The Dollar (New York 1.4645).



Mirror Migration: Japanese-Brazilians Leave Fields for Yen

By James Brooke
New York Times Service
MOJI DAS CRUZES, Brazil — Only 50 kilometers east of São Paulo, South America's most populous city, vegetable farms languish abandoned after the Japanese-Brazilian owners departed for greener pastures: factory jobs in Japan.

The Japanese Consulate in São Paulo, the number of visas issued jumped to 61,500 in 1991 from 8,602 in 1988.
Six nights a week, a jet lifts off from São Paulo's international airport loaded with Japanese-Brazilians destined for menial but better-paying jobs in Japan's auto parts plants, leather factories and nursing homes.

bought farms of their own, and now Japanese-Brazilians are major suppliers of fresh produce for the domestic market in São Paulo and Rio de Janeiro.
The drain in human capital is easily visible in Moji das Cruzes. At Mercado Maeda, a cramped store where soy sauce is sold along with takeout sushi, the owner bemoans a vanishing clientele.

The exodus has contributed to a rise in vegetable prices, said Junji Abe, a state deputy who used to be president of the farmers' union.
But Brazil is losing more than truck farmers. The exodus is draining off some of Brazil's youngest and most ambitious citizens.

Faulty Flaps Cited In Himalayas Crash

Compiled by Our Staff From Dispatches
KATMANDU, Nepal — Investigators said Friday that the pilot of a Thai Airways jetliner struggled with faulty wing flaps before the plane crashed in the Himalayas, killing all 113 people on board.
It was not clear from the initial report by a nine-man commission whether pilot error or a mechanical fault was to blame for the disaster July 31 on the flight from Bangkok to the Airbus A310-300.
The brief report made no mention of the monsoon rains lashing the airport, which cut visibility and hid the surrounding mountains.

ing normally until the crew encountered a fault while attempting to make the required flap selection prior to landing," the report said.
The pilot managed to lower the flaps but had approached too close to the runway and asked permission to circle around for another approach, it said.
The report said the captain, approaching the runway from the south, was cleared to return to the southwest for a new approach. He retraced his flaps and made a turn to the right. It made no further mention of the wing flaps.



BALANCED LOAVES — A bread deliveryman making his rounds in central Cairo on Friday.

Kabul Says Rebel Drive On Capital Is Repulsed

The Associated Press
KABUL — Afghanistan's Islamic government said Friday it had repulsed an assault on the capital by rebels loyal to the fundamentalist leader, Gulbuddin Hekmatyar.
But General Majid Khan, a member of a commando-style militia reviled by Mr. Hekmatyar, said he expected another round of fighting as Mr. Hekmatyar's forces prepared to make another bid for the capital.

2 German Neo-Nazi Rallies Banned

BERLIN (Reuters) — Two towns in Eastern Germany have banned neo-Nazi rallies that were scheduled for Saturday, fearing that they could turn violent due to counterdemonstrations by the extreme left. Officials in Erfurt and Plauen said the rallies were to have marked the fifth anniversary of the suicide of Hitler's deputy, Rudolf Hess.

UN Readies Relief Plan for Somalia

NAIROBI (Reuters) — A United Nations technical team drawing up emergency relief plans for Somalia spent its final working day in the country Friday as the world body prepared to send troops to protect aid shipments. Aid sources contacted in Mogadishu said the 31-member team had arrived in the Somali capital to complete a nine-day survey of ways of easing starvation and bloodletting.

Vietnam Assails Russia Over Radio

HANOI (AFP) — Vietnam on Friday condemned Radio Moscow's decision to give air time to an anti-Communist Vietnamese opposition movement.
The Foreign Ministry accused Radio Inna of beaming "subversive" programs to Vietnam and said Radio Moscow's decision harmed understanding and relations between Russia and Vietnam.

Falangists to Boycott Lebanon Vote

BEIRUT (Reuters) — The Falangist Party said on Friday it was joining other Christian groups in boycotting Lebanon's first general elections in 20 years until after a Syrian troop withdrawal from Beirut and other areas.
The decision, announced by George Sadeh, the party leader, dealt a blow to the Syrian-backed government of President Elias Hrawi. Mr. Sadeh said the party would pursue its efforts to convince the government that the election, scheduled to start on Aug. 23, should be postponed.

North Korean May Attend Summit

TOKYO (UPI) — Kim Jong Il, heir-apparent to President Kim Il Sung of North Korea, may attend a summit meeting of the Nonaligned Movement in Indonesia starting Sept. 1, a leading Japanese economic newspaper reported Friday.
Conference sources in Jakarta told the Nihon Keizai Shimbun that Kim Jong Il would appear at the meeting in his father's place in what would be his first visit to a non-Communist country. He so far has only visited China.

Repairs to QE2 To Take Longer Than Expected

The Associated Press
BOSTON — The owner of the Queen Elizabeth 2 announced Friday that the ship, damaged when it ran aground, would be out of service weeks longer than first thought.
Cunard Lines said the ship, which is in drydock in Boston after the accident off the Massachusetts coast last week, was more severely damaged than originally believed and would be out of service at least until late September. A Cunard spokesman said that in addition to hull damage there was interior damage to the keel.

Judge Scolds Ex-CIA Aide for Outbursts

The Associated Press
WASHINGTON — A federal judge threatened Clair E. George with contempt proceedings Friday after the former CIA official repeatedly interrupted the prosecutor during his perjury trial.
Judge Royce C. Lamberth sent the jury from the courtroom after Mr. George interrupted questions by the prosecutor, Craig Gillen. Saying Mr. George had done the same thing several times on Thursday despite orders not to, Judge Lamberth told Richard Hibel, the defense attorney, "I would have hoped that you would have talked to your client about summary contempt proceedings."

On Thursday, Mr. George angrily maintained that hypocrisy in Congress and a deceitful prosecutor led to charges that he covered up his knowledge of the Iran-contra affair.
"Everybody was a goddamn hypocrite about this thing!" he shouted Thursday during a confrontation with Mr. Gillen in U.S. District Court. "And now we're sitting around in this courtroom screaming about this thing!"

Germany Bus Crash Kills 6

MAGDEBURG, Germany — A tourist bus hit a stalled truck on an autobahn early Friday, killing 6 people and injuring 11, the police said. The bus hit the truck near Magdeburg and was then struck from behind by another truck. Eastbound lanes of the A-2 autobahn from Western Germany to Berlin were blocked for seven hours.

CHINA: The Business of Communism? It's Business

(Continued from page 1)
most luxurious in China, with its marble staircase, fountain, huge swimming pool and two Rolls-Royces.
The navy owns another Western-style hotel, while the Asia Hotel says it is part-owned by the Public Security Ministry — even though some Chinese officials say the real owner is not Public Security, but the much more secretive State Security Ministry, which is in charge of spying and counterintelligence.
In any case, the spies are dabbling in business when they are not

Italy Bans All Shipping In Island Prison Waters

ROME — The Italian government has banned all shipping from the vicinity of the prison island of Pianosa, where hundreds of Mafia gangsters were locked up last month. The precautions apparently reflect concern that the Mafia might try to free some of Pianosa's most notorious inmates.
The ban applies to any type of ship within a mile of Pianosa's coast. Anyone caught fishing near the island, off the Tuscan coast, faces up to two years in jail. Ministry of Justice permission is needed to get onto the island, where the top security jail for urban guerrillas has been reopened in the wake of recent Mafia assassinations in Sicily.

RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
BUCHAREST: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
BRUSSELS: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
COPENHAGEN: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
DUBLIN: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
GENEVA: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
HAMBURG: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
HONG KONG: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
LONDON: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
MADRID: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
MOSCOW: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
PARIS: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
PRAGUE: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
SAN FRANCISCO: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
SINGAPORE: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
ST. PAULI: INTERNATIONAL LUTHERAN CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
TOKYO: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
VIENNA: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
WASHINGTON: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.
ZURICH: INTERNATIONAL BAPTIST CHURCH, Sunday 10:30 a.m., 11:30 a.m., 12:30 p.m.

The Weather

Forecast for Sunday through Tuesday. Table with columns for location, temperature, and weather conditions. Includes sections for North America, Europe, Asia, and Africa.

How to weather the weather

Don't get under the weather about good health care abroad. One insurance plan protects you and your family anywhere. One plan lets you choose your own doctors, dentists, specialists, and hospitals. Plus an extent of out-patient services and a deductible range of US\$ 250-5,000. Two children under 10-years are co-insured without charge.
Tailor your health insurance according to your own distinctive needs. Whatever the weather, wherever you are.
Send for the Premier 1 brochure from International Health Insurance Danmark a/s, B.P. 1261, Copenhagen K, Denmark. Or fax +45 33 32 25 60.

Advertisement for International Health Insurance Danmark a/s. Includes contact information, a small map of Europe, and a list of participating countries and cities. The text emphasizes global coverage and flexibility in choosing healthcare providers.



Herald Tribune

To Stop the Brutality

Serbia's war crimes continue to mount in Bosnia. Paramilitary forces entered the village of Zolopaca on May 16 and massacred at least 83 Muslim Slavs, 11 of them children.

quires the UN to establish a tribunal to investigate and punish Serbian leaders responsible for crimes against humanity.

Baker to the Rescue?

Embarrassing Comfort James Baker's return to the White House as chief of staff and the president's reelection campaign — the same thing for the next 11 weeks — is likely to help George Bush.

to turn to new challenges... And that's exactly what President Bush intends to do. The argument is partly that the president should not be held to full account for the first term because he was not paying full attention.

Enter the First Friend

It is neither surprising nor unsettling that President George Bush has prevailed on James Baker to come back to the White House and direct his reelection campaign.

chiding the Middle East. He is known and respected by foreign leaders and diplomats, and well liked in Congress.

Other Comment

Some Mexican Reservations

The Mexican economy has already been exposed to the rigors of international competition for more than four years. And many businessmen are realizing that under the new North American Free Trade Agreement,

abroad. Their fears can be eased only by government policy, which is sadly lacking.

Horrors Built on Delusion

By José Cutilleiro

The writer is coordinator of the EC conference on Yugoslavia.

BRUSSELS — In early February, Lord Cartington asked me to preside over talks on future constitutional arrangements for Bosnia-Herzegovina involving the Muslim, Serbian and Croatian parties that formed the coalition government there.



They would not, of course, be ethnically pure, reflecting rather the demographic makeup of each area.

March 18 principles probably delayed the outbreak of hostilities for about a month. And the principles agreed by the three parties were surely not intended as a front for partition.

Constitutional arrangements may seem a remote and pedantic topic to address while war is raging. Western publics feel overwhelmed by reports of Serbian brutality.

The Economy's Fine, They Say, but for Jobs and Pay

By William Pfaff

LONDON — Unemployment now has risen during 27 consecutive months in Britain, demonstration of a recession that will not end.

ment bears a responsibility for a society's infrastructure investment or future-oriented research, not to speak of its people's social welfare.

the economy was also common in the 1920s and early 1930s, when politicians and businessmen treated the crash and Great Depression as unalterable aspects of a business cycle.

For military intervention against Serbian aggression at a time when Mr. Major and his principal ministers were on vacation, the second-rankers left behind mumbled vague excuses.

Trade Pact: A Boon to North America

By Michael Bookin

The writer is chairman of President Bush's Council of Economic Advisors.

WASHINGTON — The United States, Mexico and Canada, by completing the groundwork for the North American Free Trade Agreement, have taken a big step toward defining a new world order of expanded trade and brisk competition.

Recent history hints at what the accord can do for U.S. workers. Since Mexico began reducing import tariffs in 1986, U.S. exports have leaped to \$33.3 billion from \$12.4 billion.

And Mexico needs U.S. products and technology to improve its productivity. As Mexico's productivity rose, so would Mexico's appetite for U.S. products.

Mr. Bush's bid for the presidential nomination, Mr. Bush won a surprise victory over Mr. Reagan in the leadoff Iowa caucus and headed into New Hampshire as the favorite.

The Next Move Is Up to King Bobby

By Charles Krauthammer

EAST HAMPTON, New York — Millions await the return of Elvis. I've been waiting for Bobby Fischer, that is, the king of chess. The greatest player who ever lived. The man who 20 years ago won the world championship, then vanished.

He has the stamp of a man who played chess too long, too hard and too deeply. After all, it is Mr. Fischer who said, "Chess is life" and in chess you are always being pursued. Every action that occurs on the board is designed to entice, entrap and destroy you.

Not many men have given up glory at the height of their powers. And few have done so as systematically, as modestly as Mr. Fischer. He has spent most of the last 20 years in a wilderness of extreme, conspiratorial Southern California seclusion. Refusing to be seen. Obsessed with secret plots.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Unrest in India

CALCUTTA — The feeling of uneasiness which prevailed throughout India six weeks ago has revived in the last few days. A number of villages near Jhalabhad have revolted, owing to an attempt of the Ansoer to make a forced levy of ten animals per village for transport. The army is said to consist of 20,000 regulars and the same number of irregulars which ought to suffice to crush all resistance, but rumor is current that the Ansoer is negotiating with the rebels, a course which is not unlikely to be forced upon him by increasing complications within and beyond his borders.

1917: Smoking Sammies

PARIS — The American soldier in France has run short of tobacco. It isn't because the French Government will not let him have any of the weed it monopolizes. The trouble is due to Sammie's taste for the home brands, and to the fact that his consumption

On Baker, Good News And Bad

By David S. Broder

WASHINGTON — The return of James Baker to the White House is good news for President George Bush. It may not be such a blessing for the country.

Years ago, when he was President Ronald Reagan's chief of staff, Mr. Baker was described in this column as "the most capable unelected official Washington has seen in years." Nothing in his later service in the departments of Treasury and State would cause me to revise that judgment. There is no one I would rather see working for the U.S. government.

His return to the White House will improve morale in the administration and the Republican Party. His masterful speech at the State Department Thursday was the most coherent and persuasive case for Mr. Bush's presidency that anyone has offered.

Mr. Baker's return means that White House and campaign activities will be directed by a man whose credentials, the confidence and the authority to get everyone pulling in the same direction — a vast improvement.

Skill, there are reasons to wonder about the shift. It takes Mr. Baker away from direct diplomacy at a time when his efforts, particularly in the Middle East, seem on the verge of bearing fruit. That is clearly a loss.

One also wonders whether Mr. Baker understands how much Americans have changed and why voters are so sour on Mr. Bush. Mr. Baker is as much an Establishment man as the president, a established Princetonian, a wealthy lawyer, whose skill lies in dealing with other power-brokers.

Although he referred in his speech to Americans' "anxiety and anger," he has not heard the voices of the jobless or the complaints of the taxpayers; I wonder if he can feel the fear and frustration Mr. Bush has failed to address.

In his speech, Mr. Baker said all the right things about the coming campaign. He said it would offer the voters "fundamental choices" and, if successful, would give Mr. Bush a "mandate" for his domestic program.

But Mr. Baker's history suggests that he has little inclination to run the kind of campaign he described so well. The four campaigns in which he has played a prominent role have been long on slogans and short on substance, denying voters the chance to hear their concerns seriously debated and denying his party a chance to gain a governing mandate.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman

192: On to Stalingrad MOSCOW — [From our New York edition] Launching a full offensive against Stalingrad after securing strongholds in the North Caucasus, the Germans hurried masses of infantry, tanks and planes today (Aug. 16) against Russian positions on the Kletskaya and Kozelkovskaya fronts before the important Volga River city. Russian reports early today said the Germans had opened up a series of attacks with no regard for losses, and that German bodies littered the ground along the railroad east of Kozelkovskaya, where the Germans struck after regrouping their forces.

1917: Smoking Sammies PARIS — The American soldier in France has run short of tobacco. It isn't because the French Government will not let him have any of the weed it monopolizes. The trouble is due to Sammie's taste for the home brands, and to the fact that his consumption

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ART

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Scholars Cry Cultural Theft

Mexican Site at Center of Storm

By Tod Robberson

Washington Post Service

MEXICO CITY — A major archaeological discovery announced here has set off a heated controversy between the government and a group of American and Mexican scholars who accuse Mexican officials of promoting the theft of intellectual and scientific property.

At issue, according to a group of U.S. and Mexican archaeologists, social scientists and intellectuals, is the work of an American archaeologist, Jeffrey K. Wilkerson, whom they credit with the discovery 20 months ago of a large archaeological zone hidden beneath dense jungle about 160 kilometers (100 miles) north of the Gulf Coast port of Veracruz.

The zone, according to Wilkerson, provides crucial evidence of a "cultural corridor" linking pre-Hispanic cultures of the southeastern coastal region with urban civilizations of Mexico's central highlands.

Scholars here and in the United States accuse Mexican officials of giving Mexican archaeologists information contained in confidential proposals that Wilkerson submitted to the government's Council of Archaeology more than a year ago. They say the archaeologists are now copying his work, while the government has denied him permission to begin long-scheduled restoration.

"I found what they did to him disgusting," said Honoro Arijidiz, the president of a Mexican organization of writers, artists and intellectuals known as the Group of 100. "I think they did it because it is a big finding, a very important project. Any archaeologist could get a lot of fame and bureaucratic recognition out of this. Why let this gringo take this big project when we can take it?"

An archaeological zone shows evidence of a pre-Hispanic cultural corridor.

enthusiasts in Veracruz state who have worked with Wilkerson on various projects over 20 years.

Referring to the Mexican government, he said: "They have to understand that this sets a very bad precedent, because any scientist, anthropologist or archaeologist who comes from the outside to work here will now question whether his work will be protected."

He added: "It goes beyond science. How will foreign companies know that their products will not be copied here?"

On Wednesday, the government announced plans to begin a new Mexican restoration project — described in terms similar to those used by Wilkerson in a confidential proposal — without mentioning any of the work done by him or even his name. The announcement, by the National Council for Culture and the Arts, said the Mexican project would be "the most ambitious undertaken in the country in recent decades."

The announcement credited the late Mexican archaeologist Medellin Zentil with discovering the site in the early 1950s, which American and Mexican scholars said was technically correct. They said a diary notation by Zentil made mention of some unidentified mounds he had seen in a vaguely described location near the Nautla River. But he made no attempt to investigate the area further.

ACCORDING to colleagues of Wilkerson, it is obvious from spoils and markings at the site that Zentil was not the only one to have visited it in modern times. They credit Wilkerson with ascribing archaeological significance to the discovery when he first visited in late 1990.

Shortly after his first visit to the Veracruz zone, Wilkerson applied for a permit from the government-run Council of Archaeology to begin restoration work. The enthusiastic response to him, outlined in a letter last September from the council, was that it regarded his project as "very well structured and presented."

The New York Times reported news of the discovery Aug. 7.

Colleagues of Wilkerson say the Mexican government, informed in advance of the prospective New York Times article, hastily announced plans for its own project to restore the zone. At that point, according to Rivera, Veracruz officials and government-backed archaeologists began visiting the site.

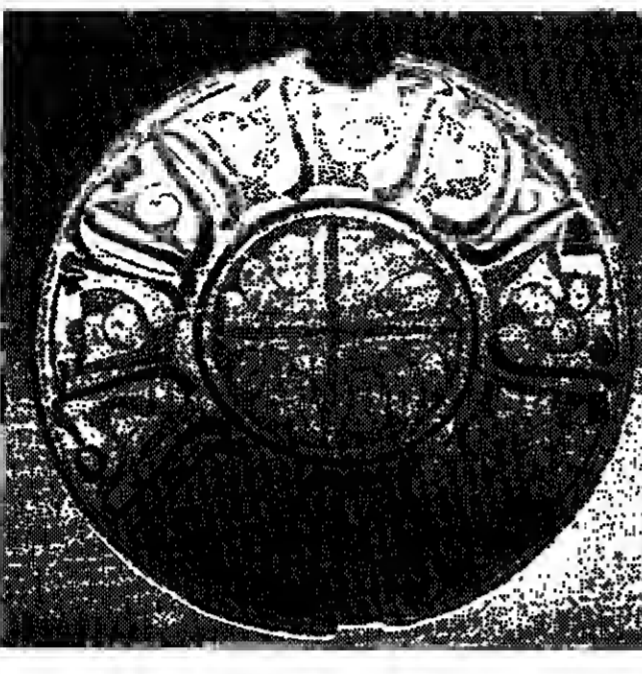
Wilkerson, 47, who heads the Institute for Cultural Ecology of the Tropics, in Veracruz, said he was at a loss to explain the government's action. "In 30 years of intense investigations in the tropics, I've never encountered such problems," he said.

He said he had no objection to the Mexican project, even though it was proposed long after his project.

"But I do seriously lament the lack of consultation," he said.

Alba González Jacome, a professor of social sciences at Mexico City's Ibero-American University, said that despite all the recent talk of a fundamental change in Mexican attitudes, there remained a "deep distrust of foreigners" in the Mexican psyche.

"There is a deep anti-foreigner feeling here that dates back many, many years," he said.



Drinking vessel missing handle, above, circa 1200; bowl with maxim on knowledge, Samarkand, 10th century.

Light on Central Asia Enigma

Paris Show Lifts Veil on Islam's Emergence in Iran

PARIS — Under the cloak of apparent simplicity, a highly focused exhibition of objects d'art lifts the curtains on some of the enigmas surrounding the appearance of Islamic culture in the Iranian milieu of Central Asia.

On view at the Institut du Monde Arabe until Sept. 27, 336 pieces sent by the Registan Museum in Samarkand illustrate the art of the potter, with here and there, some bronzes, a few fragments of architectural decoration, and the odd stone or glass implement. All come from the excavations conducted on the "Fortress of Afrasiyab," as the site of old Samarkand some distance away from the present city has been called since the 18th century.

Archaeological finds, particularly when fragmentary as is the case with some of the most beautiful vessels, are never easy to display. The coordinator, Jeanne Moulinier, loves objects — she is an occasional collector — and it shows. The sensitive groupings, unpretentiously done with limited funds, avoid the pitfalls of theatrical mise en scene or cluttered documentary evidence. Labels are kept to a sensible minimum. The objects are left to speak for themselves.

When it comes to the bowls and vessels with calligraphy as the sole decoration, the effect is often stunning. The 10th century from which the most beautiful pieces date was the first great period for calligraphy in the Iranian world where it took on a dimension unmatched in other Islamic lands.

Nowhere else is there anything like the bowls with the bold, tense calligraphy painted in sepia brown on white found in virtually identical form in two cities, Samarkand, and in Naysabur, further south in present-day Iran.

In some cases, the calligraphy is very similar to some of the styles found in manuscripts, essentially Koranic in a rectangular format. The artists sought to achieve the same color effects. There is a striking resemblance between the delicate sheen of the off-white prepared paper and the same pale ivory aspect of the white slip on pottery, both setting off the blackish brown lettering. But the third dimension in pottery gives it a monumentality, no matter how small the size, that manuscripts lack.

Invariably written in a single line, the inscriptions have a hypnotic effect with their bouncing rhythm, their alternately elongated and tensesly compact lettering, suggestive of the rhythms of Koranic recitation or poetry chanting.

Utterly different genres prevailed simultaneously. One, known so far only from the Samarkand finds, resorted to monumental formal patterns painted in golden brown such as a bowl with six lions blossoms that ranks among the masterpieces of its time. Another genre depended on

quickly engraved strokes. The pots have a calligraphic touch to their abstract designs, associated with bold color effects in green, yellow and silvers or specks of aubergine.

A shallow dish in that group illustrates an extraordinary aspect of ceramic art at that time — a spatial composition identical to that of landscapes known from Iranian figural silver, combined with details stylized into abstraction. These are so lightly done and unobtrusive that the catalogues missed the orientation of the very rare tray with broad brim. A single stroke defines a low horizon line within the circular panel of the dish area. From this, two stalks ending with two-lobed ornaments rise up to the

top. They probably stand for the letters "alif-lam" (A-L), which are the object of ecstatic speculation as the fundamental letters of God's name in Arabic. Volutes carrying half-palm-ettes stem from the stalks with a swirling effect, leaving them half way between suggested figuration and lettering. Another bowl not to be missed has a pattern misleadingly described as "vegetal, geometric and pseudo-epigraphic."

The motif, in fact, is architectural. A rotunda with eight horseshoe arches (an idea known from metalwork) runs on the sides, illustrating the "arcade of heaven" of early Persian poetry. Nor is there any "pseudo-epigraphy" — the Arabic word *basma*, used in the Koran for "divine grace" is inscribed twice in the center in slender but legible lettering.

This is a visual way of saying that the rotunda of heaven in the "celestial bowl," a literary metaphor for the universe, is ringing with the echo of divine grace.

The religious note is not surprising in the context of Samarkand pottery. The inscriptions on the purely calligraphic vessels reproduce sayings of the prophet Mohammed, of Ali, his son-in-law and successor, and maxims advocating detachment from the world, some with an early Sufi ring to them. "The noblest wealth is renouncing desire," reads one. Another celebrates our changing attitude to knowledge as it increases: "A taste of it is bitter, but sweeter than honey is its ultimate stage." They are precisely the same as those found on the pottery from Naysabur. It is not just the potter's art between the two great cities that is similar, so is the cultural substance.

As one walks around, the parallelism becomes ever more apparent. A gray stone vessel described as an inkwell but looking more like an incense burner has its exact match from the Naysabur finds. A glass pitcher looks like others in various museums, again from Naysabur. Metalwork from the earliest times to the late 12th century displays the same shapes and

decor over a long period. Some objects may have been imports. The question may be asked about a beautiful drinking vessel shaped like a jug, which now misses its handle. It was made around 1200, perhaps in Khorasan.

The entire culture, in short, was the same as history would lead one to expect. Samarkand and Bukhara in the north, Naysabur, Mashhad, Herat and Balkh (the latter two in present day Afghanistan) mark out the area where the Persian language took its present shape and Persian literature was born. Rudaki of Samarkand, who lived at the time when some of the calligraphic bowls were made, is among the very first poets in Persian.

The Persian spoken to this day in Samarkand, like that of Bukhara, is the most archaic anywhere. What makes Samarkand distinctive is not so much the artistic achievements that, admirable as they were, formed part of the common Eastern Iranian heritage, as the milieu that produced them.

In antiquity, Samarkand and Bukhara formed part of the first unified Iranian empire founded by the Achaemenid dynasty when Cyrus the Great mounted the throne in 559 B.C. But the conquest of Alexander's troops in 329 which devastated the city a year later marked a break.

The local Sogdian population with its own north Iranian language had strongly original features. Samarkand was not the most likely city to become a cornerstone of the new Persian culture that arose out of the Islamization of Iran during the 7th and 8th century.

WHAT helped is the obvious deep attraction to ideas from the south, even before Islam. The two Russian scholars Galina Shushkina and Ludmila Pavshinskaya note in the preface and Zoroastrianism, the early Iranian religion born in Central Asia at some unknown point before the Achaemenids had once again become the predominant religion by the 7th century. With Zoroastrianism came the attraction to the culture of the south.

The so-called "Arab" invasion accelerated the process. The "Arabs" occupying Samarkand in 712 probably included as many Iranian Muslims in their ranks.

When Turkish dynasties ruled the whole Iranian world by the middle of the 11th century, they strengthened the spread of the unified Iranian culture, each one vying to be seen as its greatest protagonist. Much later in time, the Uzbek dynasty of the Shaybaniids did as much for Iranian art in the 16th century as the Timurids had done in the 15th century, trying to attract all the artists they could from further south in Khorasan. It is largely thanks to the Uzbeks that Samarkand, their present capital, is as much a gem of Iranian architecture as Isfahan.

Peter Max Back in Creative Motion

By Felicity Barringer

New York Times Service

NEW YORK — Close your eyes and imagine a blank canvas filling with bright colors, fluid lines, delicate forms. That, for the artist Peter Max, is pure creativity.

Now imagine an artist, brush, heavy with color, moving with energetic dance steps before the canvas, filling the canvas with sweeping strokes. That, for Max, is creativity made manifest.

Now imagine a cameraman videotaping the artist dancing before the canvas. That is creativity made manifest through many media.

Now imagine that the canvas is not a canvas at all but the Berlin Wall in the fall of 1989. That the creative moment reaches its apex when he writes a single word:

Max, Max, figuratively and literally, videotaped his 15 minutes of fame. And he's always ready for a replay.

After 17 years in seclusion, a divorce from the mother of his two children, and endless hours of meditation, Peter Max is back in motion. Since the mid-1980s, he has re-emerged in high-profile venues ranging from the Berlin Wall to Moscow (where he got the inspiration for the multiple-panel portrait "40 Gorbys"). He has created stamps for the United Nations to commemorate this year's Earth Summit in Rio de Janeiro. Two large Max murals are featured at the world's fair in Seville.

ASKED to compare the 1969 model Max with the new, post-seclusion model, he said: "Nineteen sixty-nine was a very big year for me because I felt, you know, this recognition. I was on the cover of Life. It was the year of Woodstock. It was the year of man on the moon. And these are all things that are interesting to me. I was as excited about man going to the moon as I was about the cover of Life, if you can imagine that, because I had always loved astronomy. And it was the



Peter Max in front of a bank of screens in his studio.

peal of his art. A Japanese businessman signed a \$3 million licensing deal with him to open a chain of "Neo Pop" stores in Japan, although a spokesman for Max said that since the economic downturn in both countries, this project has lain fallow.

Creativity, he said, is what really matters. "Love" is his verb of choice when he discusses it. "I love a thick load of brushes and I love a lot of color on the brush and I love the movement, the fact I am six to eight inches away from my canvas. The first stroke as it lays itself on the canvas — that is what I love the most. The second most is looking in a mirror and seeing my art far away."

Crossword puzzle grid with clues for Across and Down.

Dos-A-Dos By Irene Smullyan. A grid of 26 numbered squares for a word search.

Solution to Puzzle of Aug. 8-9. A grid with the solved crossword puzzle.

Answers for Dos-A-Dos word search.

ART EXHIBITIONS. Listings for art shows in Miami, Provincias, Balthus, Giverny, and Fondation Maeght.

Handwritten text at the bottom of the page.

MARKET DIARY

Bonds Give Lift To Stock Market

NEW YORK — Stock prices meandered higher in light trading on Friday with a lift from a recovery in bond markets.

The Dow Jones industrial average rose 15.40 points, to 3,328.67. Advancing issues outnumbered decliners by an 11-6 ratio on the New York Stock Exchange, where volume was a weak 166.18 million shares, down from 185.70 million traded on Thursday.

Dollar Gets a Boost But Ends Below High

NEW YORK — The dollar rose against the Deutsche mark on Friday after comments from a Bundesbank official and a drop in German wholesale prices eased fears of a further increase in German interest rates.

The dollar ended at 1.4645 DM, off the session high of 1.4695 but still up from 1.4553 on Thursday. The yen strengthened, however, pushing the dollar down to 125.97 yen from 126.52 Thursday.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Sao Paulo, Singapore, Stockholm, and Toronto.

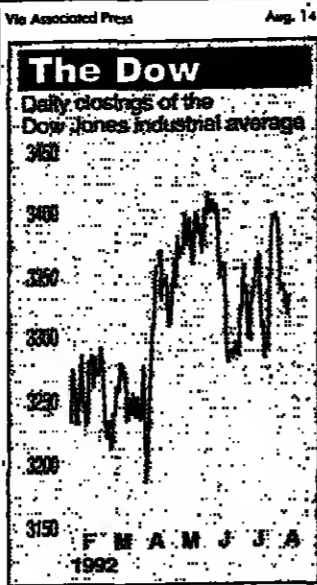


Table of NYSE Most Active stocks including Amgen, Genentech, and others.

Table of NYSE Diary showing advanced, unchanged, and total issues.

Table of Amex Diary showing advanced, unchanged, and total issues.

Table of NASDAQ Diary showing advanced, unchanged, and total issues.

Table of Dow Jones Averages including S&P 500, Industrial, and Utility averages.

Table of Standard & Poor's Indexes including Industrial, Utility, and Finance indexes.

Table of NYSE Indexes including Composite, Industrial, and Finance indexes.

Table of NASDAQ Indexes including Composite, Industrial, and Finance indexes.

Table of NYSE Most Active stocks.

Table of NYSE Diary.

Table of Amex Diary.

Table of NASDAQ Diary.

Table of European Futures including Food, Coffee, and Sugar.

Table of European Futures including Metals and Stock Indexes.

Table of European Futures including Dividends.

Table of European Futures including Financial.

Table of European Futures including U.S. Futures.

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Unions at Daily News Ask for Delay NEW YORK (Reuters) — Unions at the Daily News, after failing to unite behind a buyer, asked creditors on Friday to postpone the choice of a new owner until Monday while they continued negotiations.

Citicorp Lowers Second-Quarter Net NEW YORK (Reuters) — Citicorp said Friday it had restated its second-quarter net income to \$143 million, down from \$171 million previously, to reflect a change in the valuation of mortgage-related assets.

Primark to Acquire Data Company MCLAN, Virginia (Reuters) — Primark Corp. said Friday it would acquire all of the outstanding common stock of Datastream International Ltd. and its affiliates from Dun & Bradstreet Corp. for about \$191 million in cash and notes.

SA Holdings Sets Russian Ventures FLANO, Texas (Bloomberg) — SA Holdings Inc. said Friday it had signed a letter of intent with the West Siberian Commercial Bank of Yumen Oblast, Russia, to form joint companies to develop telecommunications services in the Tyumen Oblast territory.

Loral Wins LTV Bidding NEW YORK (Reuters) — LTV Corp. has agreed to sell its missile and aircraft divisions for \$475 million, removing the largest remaining obstacle to its emergence from six years of bankruptcy protection.

Wang Loses 29% of Value LOWELL, Massachusetts — Wang Laboratories Inc. Class B stock plunged more than 29 percent in active trading on Friday as the company missed its self-imposed deadline for reporting its fourth-quarter earnings.

Wang Loses 29% of Value (continued) Rumors that Wang would file for bankruptcy protection began swirling after it was learned that the company paid employees on Wednesday this week, two days earlier than normal.

Table of U.S. Futures including Grains and Soybeans.

Table of U.S. Futures including Metals.

Table of U.S. Futures including Livestock.

Table of U.S. Futures including Financial.

Table of U.S. Futures including Stock Indexes.

Table of U.S. Futures including Commodity Indexes.

Table of U.S. Futures including Market Guide.

ASDAQ logo and various market-related text and graphics on the right edge of the page.

150 من الالمان

Italy Gets New Jolt From EFIM Default

Compiled by Our Staff From Dispatches
LONDON — Foreign banks on Friday declared Italy's third-largest holding company in default on as much as 3.5 trillion lire (\$3.2 billion) of debt, further tarnishing the country's credit standing.

The bank action followed on the heels of a downgrading of Italy's credit rating late Thursday by Moody's Investors Service.

The downgrading gave a jolt Friday to Italian financial markets, sending the Milan stock market to a new low for the year and pushing the lira and Italian bonds lower.

The default declaration by banks on Ente Partecipazioni e Finanziamento Industriale Manifatturiera re-vested their dissatisfaction with a government package to settle the conglomerate's 8.5 trillion lire of debt, of which 3.5 billion is owed to foreign lenders.

The government put EFIM into liquidation last month and plans to sell off its assets, which include the aircraft maker Agusta and glass and aluminum interests.

In addition to asset sale proceeds, a decree on Thursday called for the government to issue 4.5 trillion lire of five-year bonds to cover EFIM's debts. The bonds will bear interest well below current market levels, however. Interest will be set at 4 percent on bonds denominated in European currency units and 7.25 percent on lire bonds. Five-year government lira bonds now yield around 14.50 percent.

"We are not happy with the sub-market coupon and don't want to wait another five years," said one banker who sits on a coordinating committee of EFIM's foreign lenders, which was set up on Thursday.

Declaring the loans in default is a legal step that formally demands repayment from the debtor and gives protection to the creditors.

Another banker on the coordinating committee said there was no talk yet of staying litigation to demand repayment or seeking to seize EFIM assets.

The Italian Treasury issued a statement on Friday saying it was "available to meet the foreign banks as a sign of openness."

Treasury Minister Piero Barucci also expressed surprise at the downgrading by Moody's, noting that it followed recent government measures to cut the budget deficit by 30 trillion lire this year and to swap the country's wage indexation agreement, the *scala mobile*.

In the markets, the MIB index of Milan stocks fell 1.28 percent, to 773. The market has fallen 29 percent since early February.

The lira was fixed at 760.05 to the Deutsche mark in Milan, down from 759.20 Thursday. Key government bonds fell 0.20 point.

(Reuters, IHT)

Economy Plan on Track, Russia Insists

By Celestine Bohlen
New York Times Service
MOSCOW — Yegor T. Gaidar, the acting prime minister of Russia, insists that his government's economic program is still on track, despite mounting pressures from a powerful industrial lobby.

Mr. Gaidar, a 36-year-old economist, said in an interview that although compromises had been made with the industrial sector since the program began in January, they had not undercut the targets on inflation and deficit spending agreed on earlier this summer with the International Monetary Fund.

He described the rise of the industrial lobby as not only inevitable but even necessary at this stage, yet he made it clear that its appetites for state credits would have to be kept in check if the program was to have a chance to succeed.

He acknowledged that this would not be easy as the struggle to share Russia's scarce financial resources intensified.

"Of course, you do understand that it is a very dynamic social situation in this country," he said, "and it is not always possible to achieve all the objectives the government would like because we have to consider political and social stability."

The targets negotiated with the IMF call for getting inflation down to 9 percent by the end of the year and keeping the budget deficit to 3 percent of the gross national product.

Noting that the monthly inflation rate in July dropped to 10 percent, Mr. Gaidar said the government could still meet the goals, even after its recent move to grant another 500 million rubles in credits to ailing industries.

"You do not make sensible policy if you never compromise," he said. "Then you achieve no goals at all. But these are our targets, and I don't think it is a healthy signal to change them."

More belt-tightening will be in order, Mr. Gaidar said, and more tough negotiations like the ones last week that forced the chairman of the central bank, Viktor Geraschenko, to back away from a proposal to cancel a trillion rubles in debt owed by state-owned companies.

The Geraschenko plan would have been "very dangerous," Mr. Gaidar said, had it translated debts between companies, which are now only on paper, into real money, thus pumping another large chunk of cash into an overheated economy.

But although his government was able to forestall this latest move by those who favor a bailout, Mr. Gaidar made it clear that the struggle was not over, inside the government or outside.

He also acknowledged differences between his original team of young, reform-minded economists and three new ministers appointed last spring with the blessing of the industrial lobby.

But so far, he said, the three "industrialists" have not been able to produce the changes in policy their supporters had hoped for.

With Arkadi N. Volynsky, a former Communist Party official who now heads the Russian Union of Industrialists and Entrepreneurs, as their most prominent spokesman, managers of state enterprises have become more aggressive in applying public pressure on the government.

On Wednesday, for example, the industrial lobby in Parliament proposed a freeze on prices, more loans to industries and higher tariffs on imports.

But Mr. Gaidar described this action as part of a process of checks and balances that is natural for this stage of reforms.

"The problem is not, do you have pressure groups, but can you control them, or do they control government policy," he said. "I think, so far, we have managed to control these pressure groups."

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX		113.30	111.80	+1.34
London FTSE 100 Index		5,402.07	5,360.52	+0.44
Paris CAC 40		1,547.80	1,540.98	+0.44
Amsterdam CBS Trend		612.78	607.78	+0.82
Brussels Stock Index		655.98	662.76	-1.02
Frankfurt FAZ		1,759.80	1,722.20	+1.83
Helsinki HEX		2,356.80	2,316.00	+1.67
London Financial Times 30		207.58	205.49	+1.02
London FTSE 100		777.00	781.00	-0.51
Madrid General Index		1,753.48	1,722.38	+1.81
Milan MIB		900.35	889.33	+1.24
Paris CAC 40		342.62	338.29	+1.25
Stockholm Aftersvaerden		625.50	624.10	+0.22
Vienna Stock Index				
Zurich SSS				

Sources: Reuters, AFP

ING Rejects Chance to Add To BBL Stake

Compiled by Our Staff From Dispatches
AMSTERDAM — Internationale Nederlanden Groep NV said Friday it had rejected an offer to add a 5.2 percent stake in Banque Bruxelles Lambert SA to its 10.03 percent holding, but the Dutch financial conglomerate said it still wants to raise its ownership in the Belgian bank.

ING would not say why it did not want to buy the shares offered by Unipar SpA at 3,800 Belgian francs (\$126.08) each. None of the members of the BBL shareholding syndicate, which holds 50.4 percent of the bank, have taken up the Italian holding company's offer, which is to expire Sunday. BBL fell 20 francs on Friday, to 3,430.

Buying the stake might have risked forcing ING to make a public takeover bid for BBL.

A bid would be required under Belgian law if the acquisition of a stake at a premium to the market price resulted in a change in control of the company. But Belgian law does not define control.

(AFX, Bloomberg, Reuters)

BP Defends Colombian Oil Interest

Compiled by Our Staff From Dispatches
LONDON — British Petroleum Co. on Friday sought to play down a smaller-than-expected estimate of oil reserves in its critical Cusiana field in Colombia, after news of the estimate sent its stock trading higher.

Ecopetrol, Colombia's state-owned oil company, said late Thursday that it estimated the reserves of the Cusiana field at 700 million barrels of oil.

BP described Cusiana last year as being "world class," and industry sources have said the company's own estimates range as high as 2 billion to 3 billion barrels.

Shares in BP, which operates the field and owns a 40 percent stake, traced a new low for the year of 183 pence (\$3.54), but recovered in line with a broad London rally to close at 190, up 3 pence.

Shares in Triton Energy Co., which owns a 20 percent stake, fell 50 cents on Thursday and were off a further 87.5 cents late Friday at \$33.25 on the New York Stock Exchange. Shares in the French oil company Total SA, which owns a 40 percent stake, edged up 10 centimes, to 226.80 francs (\$45.73).

The Ecopetrol figures were the first official estimate for the Cusiana field, which lies 250 kilometers (156 miles) northeast of Bogotá.

But a spokesman for BP, Roddy Kennedy, said the Ecopetrol figure was a preliminary estimate based on results from only four test wells.

Another seven wells are being drilled now in the area, with at least two more planned, he said.

A BP official who asked not to be identified said Ecopetrol acknowledged "there could be very much more" than 700 million barrels.

BP does not plan to issue any reserve estimates of its own for Cusiana until the end of this year at the earliest, while Total has no plans to do so before early 1993.

(AFP, AFX, Bloomberg)

Britain Posts Sharp Decline In Retail Prices

Reuters
LONDON — British retail prices fell 0.4 percent in July from June, the largest monthly decline in 25 years, data released Friday showed.

The retail price index rose 3.7 percent in July from a year earlier, down from the 3.9 percent rise recorded in June.

The fall in inflation offered fresh ammunition to the government as it battles to convince skeptics that its tough economic policies are working.

The underlying inflation rate, which strips out changes in mortgage rates, fell to 4.4 percent from 4.8 percent.

The Treasury hailed the data as another step toward the "permanent defeat of inflation."

But some private economists, while welcoming the statistics, cautioned that inflation was declining only because the recession was forcing businesses to slash prices.

The main contributors to the drop were sharp cuts in seasonal food prices and discounts on clothing, footwear and some household goods.

Very briefly:

- A Statoil A/S executive was arrested Thursday on corruption charges, the Norwegian police said; also, two executives with the German steel producer Mannesmann AG were detained in connection with alleged bribes paid to Statoil, Norway's state oil company.
 - Prims Inmobiliaria of Spain owes Banco Central Hispanoamericano 6 billion pesetas (\$64.5 million) and owes the state-controlled bank Argentina about 3 billion pesetas, spokesmen for the banks said.
 - Banco Bilbao Vizcaya SA is considering selling some of its 73 percent stake in the Spanish soft drinks company Grupo Kas to PepsiCo Inc. of the United States.
 - Dutch retail sales rose 2.8 percent in the first half of 1992 from a year earlier, according to provisional figures.
 - Unigate PLC said it sold its British exhibition services unit, Gilspur International Ltd., to P&O Exhibition Services Ltd., a division of Peninsular & Oriental Steam Navigation Co.
 - The EC Commission has opened a first-stage inquiry into Allianz AG's acquisition of Deutsche Krankenversicherung AG; the purchase was via a share exchange with Mitelcherer Rückversicherungs-Gesellschaft AG.
 - Dutch auto industry sales fell at annual rates of 11.9 percent in May in volume terms and 8 percent in value terms as prices rose by an average 4.3 percent.
- (AFP, Bloomberg)

SCENE: Bush's Albatross Could as Well Be Clinton's

(Continued from first finance page)
 that in the short run it takes an extra 2 percentage points' worth of growth to reduce unemployment by 1 point.

Factoring in the expected additions to the work force, plus ongoing productivity improvements, Mr. Cadette figures that the economy would have to grow at a 4.5 percent rate simply to drive unemployment below 7 percent by the end of 1993. And hardly anybody is forecasting a growth rate above 4 percent.

With hindsight, it is obvious that Mr. Bush's economists overrode on happy pills. They expected a brief recession, a soft landing from the speculative boom of the Reagan years.

Instead, they got a crisis in slow motion that has left millions who believed it was morning in America either out of work or in fear of losing the jobs that support their middle-class living standards.

Candidate Clinton's task, however, could prove to be President Clinton's daunting challenge. If the next president is inclined to put the recession behind him by giving the economy a quick fiscal kick, he will have plenty of support from the left-center. "Hang the deficit," said Mr. Gordon. "Full speed ahead on spending with a long-term growth payoff."

But there is no guarantee that traditional fiscal policy would work. The spectacle of a Democratic president and Congress undoing the deficit reduction agreement could spook investors, driving up long-term capital costs. And it could lead to a run on the dollar, forcing the Federal Reserve to shore up confidence with higher short-term interest rates.

EC Considers Keeping Duty on Japan Copiers

Reuters
BRUSSELS — The EC Commission said Friday it was reviewing whether to maintain anti-dumping duties on Japanese photocopiers.

Oliveri SpA and Rank Xerox Ltd. demanded the review on the grounds that the scheduled expiry of a 20 percent duty would allow Japanese producers to drop their prices. The duties apply to copiers produced by Canon Inc., Fuji Xerox Co., Matsushita Electric Industrial Co., Minolta Camera Co., Ricoh Co., Sanyo Electric Co., Sharp Corp. and Toshiba Corp.

NASDAQ

NASDAQ Friday's Prices
 This list compiled by the AP, covers the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Open	Close
120	115	IBM	4.00	3.6	13	120	115	118	118
110	105	Microsoft	0.00	0.0	15	110	105	108	108
100	95	Apple	0.00	0.0	12	100	95	98	98
90	85	Oracle	0.00	0.0	10	90	85	88	88
80	75	Novell	0.00	0.0	8	80	75	78	78
70	65	Lotus	0.00	0.0	6	70	65	68	68
60	55	Intuit	0.00	0.0	5	60	55	58	58
50	45	Parsons	0.00	0.0	4	50	45	48	48
40	35	PerkinElmer	0.00	0.0	3	40	35	38	38
30	25	Amgen	0.00	0.0	2	30	25	28	28
20	15	Genentech	0.00	0.0	1	20	15	18	18
10	5	Amgen	0.00	0.0	0.5	10	5	8	8

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	115.00	+0.25
MSFT	45.00	+0.12
ORCL	35.00	+0.10
INTL	12.00	+0.05
DISC	25.00	+0.08
WMT	18.00	+0.03
AMZN	15.00	+0.02
GOOG	12.00	+0.01
MSFT	45.00	+0.12
ORCL	35.00	+0.10
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ORCL	35.00	+0.10
INTL	12.00	+0.05
DISC	25.00	+0.08
WMT	18.00	+0.03
AMZN	15.00	+0.02
GOOG	12.00	+0.01
MSFT	45.00	+0.12
ORCL	35.00	+0.10
INTL	12.00	+0.05
DISC	25.00	+0.08
WMT	18.00	+0.03
AMZN	15.00	+0.02
GOOG	12.00	+0.01

Symbol	Price	Change
IBM	115.00	+0.25
MSFT	45.00	+0.12
ORCL	35.00	+0.10
INTL	12.00	+0.05
DISC	25.00	+0.08
WMT	18.00	+0.03
AMZN	15.00	+0.02
GOOG	12.00	+0.01
MSFT	45.00	+0.12
ORCL	35.00	+0.10
INTL	12.00	+0.05
DISC	25.00	+0.08
WMT	18.00	+0.03
AMZN	15.00	+0.02
GOOG	12.00	+0.01

(Continued on next page)

NYSE High-Lows

Symbol	High	Low
IBM	115.00	114.75
MSFT	45.00	44.88
ORCL	35.00	34.90
INTL	12.00	11.95
DISC	25.00	24.92
WMT	18.00	17.97
AMZN	15.00	14.98
GOOG	12.00	11.99

Handwritten note: 10/15/92

Foreign Carmakers Deal in India

BOMBAY — Foreign automakers are rushing into tie-ups with Indian companies in a bid to take advantage of the liberalization of India's economy. General Motors Corp. has entered a planned \$266 million joint venture with Hindustan Motors, the country's largest automaker, which belongs to the giant Birla group.

Peugeot SA and Fiat SpA are talking to Premier Automobiles Ltd., India's second-largest carmaker, about working on a new model.

Honda Motor Co. has a pending memorandum of understanding to manufacture cars with Tata Engineering & Locomotive Co., while Mitsubishi Corp. has proposed a tie-up with Eicher Motors.

And Bayerische Motoren Werke AG is exploring a collaborative deal with Ramnag Singh group, which already imports BMWs into India.

What attracts the big names is the promise of a growing market, which so far is largely untapped.

Outside of Hindustan and Premier, the only carmaker of any consequence in this nation of 870 million people is government-owned Maruti Udyog Ltd. Suzuki Motor Co., which has been working with Maruti Udyog since it began making cars in 1983, recently increased its stake to 50 percent.

There's also a skilled, cheap work force.

"The Korean industry is looking out for potential areas owing to growing labor costs, which are rendering several units in Korea uncompetitive," said Choong Seung Ahn, Hyundai's senior executive vice president, on a recent visit to India.

Investment Reports Boost Stocks

Indian stocks rallied Friday following reports the government is considering measures to ease foreign investment in the capital markets, Bloomberg Business News reported from New Delhi. The Bombay stock index jumped 98.74 points, to 2,777.57. The national index rose 35.72, to 1,233.01.

Taiwan Aids China Bank Ties

TAIPEI — Taiwan on Friday unveiled a set of draft rules allowing the overseas branches of local banks to deal with Chinese banks.

The regulations will allow overseas branches of Taiwan banks to develop business ties with Chinese companies, financial institutions and their branches abroad, said Lee Chung-ying, Taiwan's vice finance minister.

Seven types of business — deposit services, remittances, letters of credit, foreign-exchange settlements, payments and related services — will be permitted in the near future, Mr. Lee said.

The overseas branches, however, will still be banned from providing loans to Chinese enterprises or financial institutions, he said.

At present, Taiwan banks can only deal with Chinese financial institutions through foreign banks.

Mr. Lee said the changes would assist the flow of funds between the two sides and make it easier for Taiwan banks to profit from the rapid growth of trade and investment.

Taiwan will continue to ban its banks from setting up branches inside China. But Taiwan institutions will be encouraged to set up branches to handle China business in third-party areas such as Hong Kong, officials at the Monetary Affairs Bureau said.

The regulations will go into effect later this year or early in 1993 after approval by the cabinet's Mainland Affairs Council, which decides policy toward China, the officials said.

Taiwan's Nationalist government, which lost the Chinese civil war in 1949, still restricts contact with China, but economic ties to the mainland have boomed since the late 1980s.

Two-way trade through Hong Kong surged to a record \$5.8 billion last year from \$4 billion in 1990. Taiwan businessmen have invested well over \$3 billion in China.

Taiwan officials have expressed concern over the accelerating flow of capital to China. Taiwan's net capital outflow in the first quarter of 1992 jumped to \$1.2 billion from \$550 million a year earlier, and economists say much of the money went to China.

The Securities and Futures Commission said it would ask the stock exchange to lift the suspension in trading of the five companies and five other members of the Allied group that are not under investigation. The suspension was imposed Wednesday, and trading in stocks and warrants of the 10 companies could resume Monday.

Mr. Allen, a lawyer, is to investigate transactions including sales and acquisitions of assets, loans and guarantees entered into by the companies and their subsidiaries since Jan. 1, 1990, the government said.

Mr. Allen also will look into group dealing in shares of affiliated companies, including the five other concerns whose trading was halted.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hong Kong	5,822.69	5,857.11	-0.59
Singapore	Straits Times	1,397.96	1,374.76	-2.69
Sydney	All Ordinaries	1,549.00	1,481.46	-1.24
Tokyo	Nikkei 225	14,820.25	14,768.17	+0.35
Kuala Lumpur	Composite	581.94	592.18	-1.73
Bangkok	SET	754.48	766.26	-0.24
Seoul	Composite Stock	478.90	488.25	-1.92
Taipei	Weighted Price	3,914.90	3,893.34	+0.55
Manila	Composite	1,520.17	1,481.46	+1.92
Jakarta	Stock Index	310.26	310.61	-0.11
New Zealand	NZSE-40	1,471.31	1,494.17	-1.53
Bombay	National Index	1,237.53	1,197.29	+3.36

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Open	Close	Change
IBM	110	100	105	105	0
Microsoft	100	80	90	90	0
Apple	100	80	90	90	0
Oracle	100	80	90	90	0
Sun	100	80	90	90	0
Novell	100	80	90	90	0
Lotus	100	80	90	90	0
Intuit	100	80	90	90	0
Visa	100	80	90	90	0
MasterCard	100	80	90	90	0
Amex	100	80	90	90	0
Discover	100	80	90	90	0
Bank of America	100	80	90	90	0
Wells Fargo	100	80	90	90	0
Citigroup	100	80	90	90	0
JPMorgan	100	80	90	90	0
Goldman Sachs	100	80	90	90	0
Merrill Lynch	100	80	90	90	0
Prudential	100	80	90	90	0
MetLife	100	80	90	90	0
AIG	100	80	90	90	0
Travelers	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0

Hong Kong Sheds Light On Allied Investigation

HONG KONG — The Hong Kong government revealed Friday that its investigation of Allied Group Ltd. centers around asset shuffling among affiliated companies and stock transactions by the group involving its various units.

The government appointed Nicholas Allen of the Coopers & Lybrand accounting firm to investigate Allied Group and four affiliated companies: Allied Properties (Hong Kong) Ltd., Crusader Holdings Ltd., Paragon Holdings Ltd. and Wai Yick Ltd., a spokesman said.

Allied Group, the flagship company of Lee Ming Tee, has interests in real estate, manufacturing and the food industry.

Hyundai Official Is Fined

SEOUL — A son of the founder of South Korea's giant Hyundai group was given a three-year suspended jail sentence and fined \$15 million on Friday for tax evasion.

Prosecutors had demanded a six-year jail term for Chung Mong Hun, 44, vice chairman of the shipping division Hyundai Merchant Marine, who was found guilty of evading about 5.8 billion won (\$7.3 million) in taxes.

The Hyundai group has accused the government of President Roh Tae Woo of harassment. The group's founder, Chung Ju Yung, a longtime critic of the Roh administration, launched a political campaign earlier this year by starting his own party.

In November, authorities imposed tax penalties of 136.1 billion won on the elder Chung, his family and several Hyundai units.

NTT: Riches-to-Rags Stock Depresses Tokyo Market

TOKYO — The sharp decline in NTT stock on Friday depressed the Tokyo market, with the Nikkei 225 index falling 1.24 percent to 14,768.17.

NTT's stock price fell from 1,494.17 to 1,471.31, a drop of 1.53 percent. The decline was attributed to reports that the company's earnings would be lower than expected.

The Associated Press reported that the Nikkei average rose 52.08 yen, or 0.35 percent, to 14,820.25. Traders attributed the gain to short-covering following the heavy selling in recent weeks. The average had lost 1,215.47 yen, or 7.6 percent, over the previous six sessions.

AMEX

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Novell	100	80	90	90	0
Lotus	100	80	90	90	0
Intuit	100	80	90	90	0
Visa	100	80	90	90	0
MasterCard	100	80	90	90	0
Amex	100	80	90	90	0
Discover	100	80	90	90	0
Bank of America	100	80	90	90	0
Wells Fargo	100	80	90	90	0
Citigroup	100	80	90	90	0
JPMorgan	100	80	90	90	0
Goldman Sachs	100	80	90	90	0
Merrill Lynch	100	80	90	90	0
Prudential	100	80	90	90	0
MetLife	100	80	90	90	0
AIG	100	80	90	90	0
Travelers	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0
Amgen	100	80	90	90	0
Genentech	100	80	90	90	0

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Nikkei Turns Up

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THE MONEY REPORT

In Britain, Regal Life on the Cheap

By Rupert Bruce

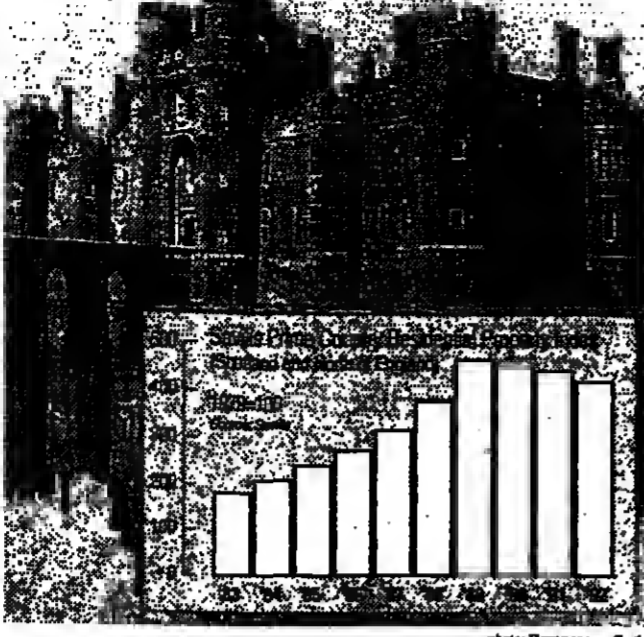
Do you want to live like a king? That kind of lifestyle still doesn't come cheap, but it's a lot less expensive than it was, thanks to the sharp decline in the luxury end of the British real estate market.

Herston House, a huge Sussex fortification built in 1441, is an extreme example. Two years after its sale for more than £20 million (\$38 million) failed to be completed, it is back on the market at £15 million. Add to that a reported fall of 50 percent in the price of hunting and fishing estates in the last year and it seems the value of Britain's heritage is falling fast.

But it is falling from a high level. At the tail end of the 1980s boom, money from all over the world was chasing castles and sporting estates. Yolande Barnes, head of research at Savills, the up-market London realtor, said: "I think the fashion for this sort of property may have been the same sort of thing that made the fine art market so popular when lots of new wealth was being created. Quite simply the Scottish sporting estate was a trophy to have alongside a house in the south of France and an apartment in Manhattan."

The peak was in 1989 and 1990, when prices in excess of £1 million were paid for some of Scotland's large but remote castles. Sporting estates, too, were fetching sums that looked ludicrous compared with sale prices only a few years earlier. Herston House is an extreme example partly because it is very large and based in the south of England, where property rose — and then fell — more than in other districts. Also, local authorities have restricted the type of development that can be carried out since 1990.

The more common, smaller castle was never subject to quite such ridiculous rises and so seems to be falling more gradually. Savills publishes an index of prime residential property in the north of England and Scotland, where most of these castles are based. It has fallen 10



Herston House, Sussex

percent since its peak in 1989. Colin Strang Steel, head of realtor Knight Frank & Rutley's Edinburgh office, says the most up-market castles with a mention in the history books have held up the best. "Genuine 16th or 17th century castles are much more likely to have retained their value because of the scarcity of them," he said.

Many of Scotland's "castles" are little more than Victorian houses with a few turrets stuck on top of the walls. But even these can fetch good prices if they are pretty enough. Dumfries Castle, a five-bedroom Victorian castle with fairytale looks perched above the Clyde estuary, was sold within 10 days last April for £200,000, more than the asking price of £150,000. It went to a couple from the south of England who are turning it into a hotel, but also, it seems, want somewhere beautiful to live.

Perhaps one of the worst-hit areas of the market is that of ruined castles. It became fashionable in the late 1980s to buy three and a bit walls, along with a lot of daylight and even more history, and restore the ruin to its former glory. When Savills put ruined Sandrun Castle

in Ayrshire on the market as late as 1991, it got 2,000 enquiries, more than 200 viewings and 30 offers. It was finally sold for £200,000 — more than twice the asking price.

Today Savills is trying to sell the almost-restored Hatfield Castle in Perthshire. It has four walls and a roof, but needs some finishing touches. It is on the market for £325,000 — a sum Savills said is less than was spent on rebuilding.

Even if prices have declined dramatically, a few sellers are still asking for prices comparable to those fetched in the early stages of the boom. Killochan Castle, an 11-bedroom, 14th century castle in Ayrshire, is on the market at £1.2 million, complete with paintings and antiques. It was bought by the current owner in 1985 for about £1 million without contents. But then, British property rarely achieves the asking price these days.

The prices of sporting estates have fallen even harder than those of castles. This is because they are expensive to maintain and because their prices rose more in the good times.

"Rich people basically were buying these estates from all over the

world," Mr. Strang Steel said. "They went to British people mainly, but also Americans, Japanese, Germans, Malaysians and Danes. Those people are not coming nearly as frantically as they were even a year ago."

So the prices of estates, which are calculated according to the game bag in previous years, have fallen. Estate agents report that salmon rivers have fallen from about £15,000 per fish at the peak to about £3,000, and deer forests from as high as £30,000 per stag to as low as £12,000. Grouse moors, however, have remained constant at £2,000 per brace (two birds).

In addition to demand, the price of estates is dependent on how close they can get to supporting themselves. But the sportsmen who rented hunting and fishing "beats" are now feeling the pinch. Colin Mackenzie, director of country houses and estates at realty firm Hamptons, said: "People just stopped taking shooting last year."

Grouse shooting stands out as an exception because it is so rare. For that reason the Clova Estate in Aberdeenshire, which has a fertile grouse moor and has been put up for sale by the British oilman Algy Chuff, is expected to be relatively easy to sell. Jamie Burgess Lumsden, a negotiator at Savills' Edinburgh office, said: "People just stopped taking shooting last year."

The going rate for a brace on a day's shooting is about £80. If 250 brace were shot four or five times a year, that could raise as much as £100,000.

The guide price for Clova is £1.4 million. For that you get a 20-bedroom house and about 3,950 acres. In addition to the grouse, there is pheasant shooting, duck fighting and deer stalking.

Mr. Strang Steel believes now is a good time to buy estates "because prices have fallen a very long way and there are very few of them, so once things get back to normal they will bounce right back again." The same could be said for authentic castles. But then most British pundits have grown tired of calling the bottom of the market in any asset.

BRIEFCASE

Shareholders Give Janus More Flexibility to Manage

Shareholders in the fast-growing Janus no-load mutual fund family have approved a number of measures intended to reduce costs and give managers more flexibility in running the funds.

One would allow a common prospectus that includes the varying investment objectives of the different funds in addition to the usual fine print found in fund prospectuses. This should save considerable paper work from the way Janus has handled prospectuses in the past, with separate ones for each fund that repeat much of the standard, required verbiage.

A spokeswoman noted that Janus has gone from 40,000 shareholders at the end of 1989 to about 1.2 million, so any reduction in paper is bound to save money and trees.

Another measure lifts the restrictions on managers using futures, options and other derivative instruments as hedging tools.

Janus also won approval to merge the assets of its funds with similar funds. Janus is famous for its no-load funds, but it also manages money in several load funds marketed by other companies. Merging assets between the two types of funds will save money through administrative efficiency.

CBOT Seeks to Package Blue Chips and Call Options

The Chicago Board Options Exchange has filed for regulatory approval to trade a security it calls Bonds, where each contract would synthetically combine the purchase of 100 shares of stock and the sale of one call option.

A Bond is therefore a prepackaged buy-write, a strategy used to reduce the amount of any loss in a stock's value while giving up some of its potential gain. Studies have found that selling a call option when buying stock will, in the long run, produce greater returns than buying shares alone. And Bonds, presumably, would carry lower dealing costs than buy-writes because fewer transactions are involved.

Bonds would look like this: Say you like the chances of IBM, which has been selling near \$92 a share. You could buy 100 shares outright for \$9,200, or you could pay maybe \$8,000 for a Bond with a strike price of \$100 that expires in, say, three years.

If IBM closes at \$100 or less at expiration, you would get the 100 shares, but at a bargain price. They only cost \$80 each, instead of \$92. That means that as long as IBM shares rise or else fall by less than \$12 apiece, you come out ahead.

Should IBM close at more than \$100 a share at expiration, you would receive \$10,000 in cash, or a return of 25 percent. The bad part is that even if IBM doubles to \$200 over the three years, making 100 shares worth \$20,000, \$10,000 is all you would get.

It may seem like a raw deal: giving up a potential \$10,000 for a saving of just \$1,200. What many investors don't realize is that the chances of IBM actually rising that far, that fast are remote. Over a long enough period, the tortoise who makes a little bit extra by selling calls will come out in better shape than the hare who bet on a big rise in a stock's value.

The CBOE said it hopes to sell Bonds with lifespans of up to five years on selected high-volume blue chips. They would have European exercises, meaning they could only be exercised on the last day of trading. Until then, they would trade as ordinary options do.

No-Load Means Lowest Cost in Funds, Survey Shows

Funds that charge sales loads have justified the added fees, which usually go to agents who sell them, by asserting that the use of a sales force cuts marketing and advertising expenses and so reduces overall fund costs in the long run. A recently completed study casts strong doubt on that claim.

Morningstar Inc., which compiles statistics on American funds, compared the expense ratios of more than 2,000 load funds, pure no-load funds and no-loads that deduct an annual 12b-1 charge from net asset value to cover marketing costs. The result: Pure no-loads are cheapest.

The load funds had an annual expense ratio of 1.32 percent of assets, while the no-loads with 12b-1 fees had a slightly higher ratio of 1.48 percent. The best by far were the pure no-load funds, which had average annual expenses of 0.97 percent.

Ken Weber, editor of the newsletter Weber's Fund Advisor, commented in his latest issue: "In simple terms, no-load funds are cheaper to buy in the beginning and cheaper to hold. Since no one knows which funds will produce the best gains in the future, unless you have some compelling reason to do otherwise, it makes sense to buy pure no-load funds when you can."

Small Investor Caught Rise in U.S. Bonds for a Change

It looks like the small investor may have got it right for once. The most recent figures published by the Investment Company Insti-

tute, the representative body of the U.S. mutual fund industry, show that small investors were snapping up bond funds in June, well ahead of the shorter-rate cut that produced a surge in discount-dated bonds in early July.

Unit investment trusts, which purchase fixed portfolios of selected bonds or stocks, increased monies under management by \$694.1 million through June to a total of \$4.26 billion. Tax-free bond trusts issued shares worth \$427 million, for a total of \$2.44 billion in the first half. Taxable bond trusts, meanwhile, issued \$154.8 million worth of shares, for a total of \$1.01 billion in the first half. There were 61 new tax-free and 7 taxable trusts issuing shares in June.

It's No Mexico, but Climate in Iran May Only Improve

No doubt about it, investing is a business for the brave.

Political Risk Services, a Syracuse-based consultancy that analyzes country risk for investors, cites Mexico as sparking business optimism. With the North American free-trade agreement initiated, that seems sensible enough. But you have to be considerably braver to invest in Iran, where the firm argues that a pragmatic government coalition is likely to improve the business climate.

'Early Warning' on Property Is a Bit Too Late in Britain

It can be very tempting to be wise after the event in finance. So tempting, in fact, that investors can often be beguiled by the "if only" factor: "If only I'd invested in biotechnology funds two years ago, I'd be rich," etc.

A similar rule applies to analysts, who seek to find the best explanation of what has already happened in an attempt to predict the future. British realtor Hillier Parker is no exception to the rule. It has just launched a new publication that looks at "residual land values" — broadly speaking the value of land less the costs of development — in Britain.

Had this analysis existed a few years ago, "it would have acted as an early warning of the recession to come," said Russell Schiller, head of research at Hillier Parker. The firm claims that the residual land indicator began to turn down while other property indicators, such as rental and capital values, were still booming.

Those who are looking for an upturn in British property have longer to wait, if the measure of residual land value really is a good indicator. Most residual land values are still falling, according to the firm.

ADVERTISEMENT

INTERNATIONAL FUNDS

Aug. 14, 1992

Table listing various international funds with columns for fund name, ticker symbol, and price. Includes sections for International Funds, Global Funds, and Other Funds.

SPORTS

Krabbe, Breuer Fail 2d Drug Test

COLOGNE — Double world athletics sprint champion Katrin Krabbe and her teammate Grit Breuer face four-year bans from competition after their positive dope tests for banned drugs were confirmed on Friday.

An official of the German athletics federation, Rüdiger Nickel, said the second urine sample supplied by Krabbe and Breuer during random tests to training last month had tested positive for the anabolic and stimulant clenbuterol.

"That confirms that all the tests given by the athletes contained clenbuterol," Mr. Nickel said after the tests were analyzed Friday at the International Olympic Committee's dope-testing laboratory in Cologne.

Athletes always give two urine samples during tests. Krabbe and Breuer's first tests from two training camps in Germany in July had been found to be positive earlier this month. But the tests needed to be confirmed by a second test before any action could be taken against the athletes.

The German Track and Field Federation immediately announced that Krabbe and Breuer had been suspended from national competition.

The federation now will report the results to the International Amateur Athletics Federation, which can ban the two athletes from international competition for up to four years.

Officials of the German federation had said earlier that Krabbe, the 100 and 200 meters champion at last year's world championships, and world 400 meter medalist Breuer would be suspended immediately from competition if the tests were positive.

But the federation's board must now impose officially the minimum penalty of a four-year ban for a first doping offense on the former East Germans, who also have the right to plead their case.

Federation officials said the board planned to meet as soon as possible. It must then report the case to the International Amateur



Gene Sauer, a two-time winner on the PGA Tour, led the way in the first round with Craig Stadler.

Floyd: Swinging for the 'Old Guys'

ST. LOUIS, Missouri — There'll be no cruising into the golden years for Raymond Floyd.

Floyd turns 50 on Sept. 4, which means he will be eligible to play on the PGA Senior Tour. It will be a difficult shift into low gear, though, because he is still one of the best.

"It is embarrassing for older players who once dominated the game to enter PGA tours and not even make the cut," he said on the eve of the Bruno's Classic in Alabama.

The 56-year-old South African said the Seniors tour has been a boon for him and others.

"The Seniors tour has a greater message than the regular tour," he said. "Look at Miller Barber. At 61, he is the bionic man."

Barber joined the Seniors in 1981 and has taken 24 tournaments and \$2.7 million, more than he pocketed on the regular tour.

Gallagher and Cochran Take Early Lead After 36

ST. LOUIS, Missouri — Jim Gallagher Jr. shot a course record 66, and Russ Cochran fired his second consecutive 69 on Friday to share the early 36-hole lead in the 74th PGA Championship at 4-under-par 138.

Gallagher and Cochran took advantage of light winds and soft greens in their early morning pairings.

"The greens were fresh and that helped," said Gallagher, who broke the BellSouth Country Club course record of 67 shot Thursday by Craig Stadler and Gene Sauer.

"I played great," he said. "I like my position. The wind has started to blow again like it did for me in the afternoon yesterday. The greens will be more banged up, too."

Gallagher has made \$1.8 million on the PGA Tour, but his only championship was the 1990 Greater Milwaukee Open. Cochran also was one of the few golfers who cracked par Thursday with a 2-under 69.

First-round leaders Sauer and Stadler played in the morning Thursday before the wind came up, as did Brian Claar, Jay Don Blake, and Nick Faldo, all 68 shooters.

Robert Gomez, who shot 69 in the afternoon, said, "It was at least a two-shot difference to be able to play in the morning when the greens were soft and the winds down."

Cochran, the 1991 Western Open champion, has won \$242,237 this year. His best finish was third at the BellSouth Classic. He has played in 21 tournaments and made the top 10 twice.

"Playing in the morning enabled me to take aim and be more aggressive," he said. "The greens were very receptive. In the afternoon, they are firm and shots are tough to get close."

Sauer got off to a stumbling start Friday with two consecutive bogeys to drop to 2-under for the tournament after 22 holes.

Two-times U.S. Open champion Curtis Strange shot 5-over 41 on the front, including a triple-bogey seven on the 436-yard No. 9. Strange was eight over for the tournament.

Temperatures again were ideal, and showers stayed away. Stadler, Claar, Blake and Faldo had tee times later Friday.

Earlier, Leonard Shapiro of The Washington Post reported: Some of the best and brightest stars of professional golf dazzled at breezy Bellville in the first round, but few shone with more brilliance than Masters champion Fred Couples, who, after triple-bogeying the third hole, gamely rallied to contention for the final major championship of the season.

The record will show that Stadler and Sauer, a mostly anonymous two-time PGA Tour winner, held the opening-round lead on an unseasonably cool day of no-sweat golf by shooting 4-under-par 67 over the sprawling 7,148-yard (6,536-meter) Robert Trent Jones layout.

But the focus of many in the swirling gallery of 35,000 was elsewhere, with most eyes focused on the threesome of 1992 major championship winners — Couples (Masters), Tom Kite (U.S. Open) and Faldo (British Open).

John Daly, the defending PGA champion, got out of the sand but not out of trouble on opening day.

SEATTLE (AP) — All-Star third baseman Edgar Martinez, the American League's leading hitter, has signed a three-year contract with the Seattle Mariners.

Martinez, 29, signed for the 1993-1995 seasons. The Seattle Post-Intelligencer newspaper reported Friday that he would receive \$3.1 million per year plus an unspecified signing bonus. In addition, the club holds an option for a fourth season, also for more than \$3 million.

Martinez was leading the AL in batting going into Friday's games with a .334 average. His 34 doubles also were tops in the league. He has raised his lifetime batting average to .307, the highest in Mariners history. He also has 15 home runs, 56 RBI and 12 stolen bases this season.

LEEDS, England (AP) — Italian Maximilian Sciandri triumphed in a strong challenge from Robert Millar of Scotland to win the Tour of Britain five-day cycle race on Friday.

Sciandri, riding for the Motorola team, held an 11-second lead over Dutch rider Ardi Van der Poel going into the final stage over 110 miles (178 kilometers) from Nottingham to Leeds in northern England. But Millar attacked on the final climb to move lead and become the leader on the road. Sciandri's Motorola teammates led the chase, finally catching the Scottish TVM rider on the final circuit of Leeds city center.

Greg LeMond, who pulled out of the Tour of Britain, has decided against racing in a World Cup cycling event in Leeds on Sunday because of continued fatigue.

Can Bird Play? Maybe, Says Trainer

BOSTON — Larry Bird is home from Barcelona with a gold medal, a back that held up "very well" and an uncertain future.

After missing 39 regular-season games with back problems over the last two seasons, he has not announced if he'll be back for a 14th NBA campaign.

The Olympics, however, probably put him in "a positive frame of mind," said Ed Lacerie, trainer for the Boston Celtics and the U.S. Olympic basketball team.

Asked if Bird knew whether he would play another season, Lacerie said: "I have no idea. Nothing would surprise me about Larry. He's a unique individual in his ability to tolerate pain, in his ability to overcome a lot of things."

Bird missed 37 regular-season games last season and two of six in the Tournament of the Americas in Portland, Oregon, which preceded the Summer Games. But he played in all eight games in Barcelona.

"He came through Barcelona very well, better than he did in Portland," Lacerie said.

The Olympic tournament, against weaker competition than he faces in the NBA, was less strenuous for Bird. He averaged only 18 minutes a game and did not practice every day.

In his final Olympic game, Bird sat out the entire first half and was scoreless in 12 minutes as the United States beat Croatia, 117-85, for the gold medal.

Asked whether his limited playing time was a result of back problems, Lacerie said, "You have to speak to coach Daly on that," referring to Chuck Daly of the New Jersey Nets. "That's a coach's decision."

Lacerie said Thursday that Bird had said he would make a decision in early fall. The Celtics open training camp Oct. 9.

Asked if Bird could withstand the pounding of a full NBA season, Lacerie said, "He had difficulty doing that last year."

If he went through the rigors of an 82-game season without modifying his activities, Lacerie said, "he probably would break down."

Since travel can aggravate his back condition, one possibility would be for Bird to play mostly home games. Lacerie indicated that limiting his playing might be one consideration in Bird's decision whether to return. He is signed through the 1993-94 season.

Uneasy Boks Brace for All Blacks

JOHANNESBURG — The Springboks and All Black rugby squads jockeyed through final training on Friday amid suggestions that the home team was woefully under-prepared for the long-awaited test match on Saturday.

Both sides claim to have been keeping their real strength in reserve for the Ellis Park showdown, a 70,000-sell-out, but local enthusiasts are increasingly worried about South Africa's lack of recent international competition.

Only seven of the Springbok side have won caps in international matches, and there is concern that South African training methods will be exposed as outdated by an improving All Black side.

The Johannesburg Star led the doubters, claiming that the 1992 Springboks "are painfully inexperienced and hopelessly unprepared, both physically and mentally."

"It's going to be very tough. We'll just have to stop them creating second-phase possession."

New Zealand has had the advantage of having played eight tests in recent months, three against a World XV, two against Ireland and three more against Australia.

The match on Saturday, the first official test between the countries in the republic since 1976, will be watched with interest by Australia, which meets South Africa in Cape Town next week, as well as by the French coach, Pierre Berbizier.

Berbizier, currently on crutches after breaking a bone in his foot in the last minute of a charity game, is scouting the Springboks in preparation for their two test matches in France in October.

On Friday, David Campese scored two tries to rescue Australia from potential defeat against Northern Transvaal, 24-17, in the second game of their four-match rugby union tour of South Africa.

SCOREBOARD

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, Boston, and New York.

Thursday's Line Scores

Table showing Thursday's Line Scores for various MLB games, including Boston vs Toronto, Cleveland vs Detroit, etc.

Japanese Baseball

Table showing Japanese Baseball results for Central League and Pacific League.

GOLF

SEATTLE (AP) — The first round of the PGA Championship, played at the 7,148-yard Robert Trent Jones layout, was a 2-under-par 138.

Gene Sauer, a two-time winner on the PGA Tour, led the way in the first round with Craig Stadler.

John Daly, the defending PGA champion, got out of the sand but not out of trouble on opening day.

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Table listing international access numbers for various countries like Australia, France, Italy, etc.

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DAVE BARRY

Let's Go to the Hop

MIAMI — My son, who is 11, has started going to dance parties. Only minutes ago he was this little boy whose idea of looking really sharp was to have all the Kool-Aid stains on his He-Man T-shirt...

"THREE" the instructor would say, and the girls would shift their weight to the left, while on the other side the chain reaction of regulation had spread to all 40 boys, who were punching and stomping on each other...

If It's Scientific, It's 'Garbology'

By William Grimes

NEW YORK — After 20 years of sifting through garbage cans and landfills, the archaeologist William L. Rathje has accumulated precious memories. There are the 40-year-old hot dogs, perfectly preserved beneath dozens of strata of waste...



Michael Auer/IST

a course on archaeological methods. For the first 14 years of its existence, the project, staffed by student volunteers with strong stomachs, conducted surveys of household garbage in the United States and Mexico.

have been spared that," he said. "Frankly, why anyone would do it, even for credit, is beyond me." Steering well clear of the raw material, Murphy served as editor, researcher and schedule monitor for the foot-dragging Rathje.

PEOPLE

Woody and Mia in Court

Woody Allen, the filmmaker who once confessed that "I like to spend my time with work and only a limited time with kids," has filed suit against his longtime companion, Mia Farrow, for custody of their three children...

Queen Beatrix of the Netherlands is trying to drive the beasts from the palace gardens. The queen has ordered her gardeners on regular rabbit-hunting missions at Huis Ten Bosch, the royal residence on the outskirts of the Hague...

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